## Message Text

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**ACTION ARA-10** 

INFO OCT-01 ISO-00 SSO-00 L-03 EB-07 TRSE-00 COME-00

CIEP-01 NSCE-00 SS-15 NSC-05 USIE-00 PRS-01 PA-01

CIAE-00 INR-07 NSAE-00 INRE-00 INT-05 OMB-01 SP-02

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O 302245Z OCT 75 FM AMEMBASSY LIMA TO SECSTATE WASHDC IMMEDIATE 7419

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FOR ARA - ALFRED FISHLOW; L - MONROE LEIGH; EB - THOMAS ENDERS; TREASURY - JOHN BUSHNELL; COMMERCE - DON ARRILL; CIEP - WAYNE SHARPE

EO 11652: GDS

TAGS: EINV, EIND, PFOR, PE

SUBJECT: MARCONA - NEW ROUND OF USG-GOP TALKS

REF: A. KING-BARNEBEY TELECON 10/29/75; B. LIMA 8910

- 1. AMBASSADOR INFORMED AMBASSADOR DE LA PUENTE AT THE FOREIGN MINISTRY OF PLANS FOR U.S. TEAM TO RETURN TO LIMA TUESDAY MORNING, NOVEMBER 4, FOR FURTHER TALKS. DE LA PUENTE EXPRESSED PLEASURE AT PROSPECTS FOR CONTINUNING DISCUSSIONS NEXT WEEK, AND ON HIS OWN INITIATIVE TENTATIVELY SET UP MEETING AT PETROPERU BUILDING BETWEEN USG TEAM AND PERUVIAN TECHNICAL EXPERTS FOR 4:00 P.M. TUESDAY AFTERNOON. DE LA PUENTE SAID HE WOULD IMMEDIATELY INFORM THE PRIME MINISTER AND THE FOREIGN MINISTER OF THE USG TEAM'S SCHEDULE. HE SAID FOREIGN MINISTRY WILL CONFIRM THE 4:00 P.M. TUESDAY MEETING ASAP WITH US.
- 2. THE AMBASSADOR MENTIONED TO DE LA PUENTE THE SUBJECT OF PRESS STATEMENTS. DE LA PUENTE SAID THAT HE PRESUMES CONFIDENTIAL

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THAT GOP WILL MAKE A SHORT PUBLIC STATEMENT IN NEAR FUTURE

TO EFFECT THAT THE USG TEAM IS RETURNING TO PERU TO CONTINUE TALKS OVER THE MARCONA ISSUE AND THAT THE GOP STATEMENT WOULD REFER TO THE PRIME MINISTER'S EARLIER PRESS STATEMENT ON THIS SUBJECT (REF B). HE SAID THE GOP DID NOT INTEND TO GO BEYOND ANNOUNCING THE PRESENCE OF THE USG TEAM AND ITS REASON FOR BEING HERE.

- 3. THE AMBASSADOR ALSO MADE FOLLOW-UP CALL TO BROUSSET TO INOUIRE WHETHER HE WOUD HAVE AVAILABLE FOR US PRIOR TO COB FRIDAY INFORMATION WHICH EARLIER IN THE WEEK HE SAID HE WOULD ATTEMPT TO OBTAIN REGARDING BASIS ON WHICH GOP TECHNICAL EXPERTS HAD EVALUATED MARCONA PROPERTIES, ITEMS INCLUDED FOR COMPENSATION, ETC. BROUSSET REPLIED THAT THE GOP EVALUATION COMMISSION STUDYING THIS ISSUE HAS NOT YET CONCLUDED ITS WORK AND THAT HE HAS NO CONTROL OVER THE COMMISSION'S DECISIONS. HE SUGGESTED THAT THE AMBASSADOR MIGHT RAISE THIS SUBJECT WITH EITHER THE FOREIGN MINISTRY AND/OR THE MINES MINISTRY. BROUSSET DID SAY THAT HIS GROUP HAS USED ACCOUNTING INFORMATION TAKEN FROM THE 1974 ACCOUNTS OF MARCONA AND HAD DIVIDED PROPERTIES INTO TWO CATEGORIES: THOSE ITEMS CONSIDERED BY THE COMPANY TO BE FIXED BUILDINGS AND A SECOND CATEGORY FOR MACHINERY. (NOTE: BROUSSET. ALTHOUGH THE DE FACTO LEADER OF THE TECHNICAL EXPERTS GROUP, HAS NO DIRECT TIES TO EITHER THE MINES OR FOREIGN MINISTRIES AND MAY THUS NOT BE IN A POSTION TO MAKE THIS INFORMATION AVAILABLE TO US PRIOR TO THE ARRIVAL OF THE USG TEAM).
- 4. THE AMBASSADOR ALSO REEMPHASIZED TO BROUSSET THE NEED FOR RAPID FORWARD MOVEMENT, NOTING THE FINANCE MINISTER'S AGREEMENT TO WITHHOLD PERUVIAN REQUESTS TO THE IFI'S FOR FURTHER LOAN SPENDING SOLUTION OF THE MARCONA ISSUE. BROUSSET AGREED, AND CONCURRED IN POINT MADE BY AMBASSADOR CONCERNING FACT THAT PERU'S NEED FOR FURTHER IFI FINANCING IS VERY IMPORTANT AND HOPEFULLY A RESOLUTION OF THE MARCONA PROBLEM WILL MAKE SUCH FINANCING AVAILABLE SOON
- 5. THE AMBASSADOR ALSO MENTIONED TO DE LA PUENTE OUR INTEREST IN OBTAINING INFORMATION ABOUT THE BASIS OF GOP CONFIDENTIAL

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CALCULATIONS IN REGARD TO ITS EVALUATIONS OF MARCONA PROPERTIES. THE AMBASSADOR SAID THAT THE DEPARTMENT NEEDS SUCH INFORMATION IN ORDER TO PROPERLY EVALUATE MARCONA'S ASSETS. DE LA PUENTE REPLIED THAT HE APPRECIATED THESE CONSIDERATIONS, AND WOULD TRY TO STIMULATE A RESPONSE BUT THAT HE DID NOT BELIEVE THAT IT WOULD BE POSSIBLE TO MAKE SUCH INFORMATION AVAILABLE PRIOR TO THE TALKS BETWEEN THE TWO TEAMS. THE AMBASSADOR ALSO EX-

PRESSED THE HOPE THAT THE GOP TEAM WOULD BE IN APOSITION TO MAKE NEW PROPOSALS WHICH COULD MOVE THE TOLKS FORWARD.

6. EMBASSY HAS MADE RESERVATIONS AT THE HOTEL SHERATON FOR THE FIVE USG TEAM MEMBERS, AND DCM AND EMBASSY OFFICER WILL MEET UPON ARRIVAL. PLEASE FURNISH US FLIGHT NUMBER AND ETA LIMA ASAP.

7. COMMENT: IN OUR JUDGEMENT, GOP TEAM WILL NOT BE PREPARED TO DISCUSS THEIR BASIS FOR CALCULATIONS OF MARCONA ASSETS PRIOR TO MEETING OF BOTH SIDES. WE HAVE ALERTED THEM TO OUR NEED FOR THIS INFORMATION. HEPEFULLY, THIS CONCERN WILL STIMULATE THEM TO COME UP WITH CONCRETE DATA, AS WELL AS A FLEXIVLE APPROACH FOR THE MEETING. DE LA PUENTE EXPRESSED GREAT INTEREST IN VISIT, AND IT APPEARS THAT GOP WILL ORGANIZE ITSELF TO HOLD SERIOUS TALKS WITH OUR SIDE. WE THINK IT POSSIBLE THAT DE LA PUENTE MAY ALSO ARRANGE FOR MINISTERIAL LEVEL MEETINGS, EITHER WITH FOREIGN MINISTER OR PRIME MINISTER OR BOTH.

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## Message Attributes

Automatic Decaptioning: X Capture Date: 01 JAN 1994 Channel Indicators: n/a

**Current Classification: UNCLASSIFIED** 

Concepts: NATIONALIZATION, COMPENSATION, NEGOTIATIONS

Control Number: n/a Copy: SINGLE Draft Date: 30 OCT 1975 Decaption Date: 01 JAN 1960 Decaption Note: Disposition Action: RELEASED Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975| IMA08987

Document Number: 1975LIMA08987 Document Source: CORE Document Unique ID: 00

Drafter: n/a Enclosure: n/a Executive Order: GS Errors: N/A

Film Number: D750377-0596 From: LIMA

Handling Restrictions: n/a

Image Path:

Legacy Key: link1975/newtext/t1975106/aaaaafao.tel Line Count: 135 Locator: TEXT ON-LINE, ON MICROFILM

Office: ACTION ARA Original Classification: CONFIDENTIAL Original Handling Restrictions: n/a Original Previous Classification: n/a Original Previous Handling Restrictions: n/a

Page Count: 3

Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL Previous Handling Restrictions: n/a Reference: 75 LIMA 8910 Review Action: RELEASED, APPROVED Review Authority: GolinoFR

Review Comment: n/a Review Content Flags: Review Date: 12 SEP 2003

**Review Event:** 

Review Exemptions: n/a
Review History: RELEASED <12 SEP 2003 by CunninFX>; APPROVED <20 OCT 2003 by GolinoFR>

**Review Markings:** 

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JÚL 2006

**Review Media Identifier:** Review Referrals: n/a Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

Secure: OPEN Status: NATIVE

Subject: MARCONA - NEW ROUND OF USG-GOP TALKS

TAGS: EINV, EIND, PFOR, PE, US, MARCONA To: STATE

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006